

**REMARKS**

Claims 2-5, 7-20, and 31-38 are currently pending, with claims 2-5 and 7-20 being allowed, and claims 31-38 being rejected. In the Office Action mailed on July 28, 2008, claims 31-38 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 6,907,566 B1 to *McElfresh et al.* in view of U.S. Patent Application Publication No. 2002/0072965 to *Merriman et al.*

Applicants respectfully traverse this rejection and request reconsideration for at least the following reasons.

Claim 31 recites a computer-implemented method for optimizing placement of Internet advertisements comprising, among other things, “computing a click probability estimate representing a likelihood that the customer will select the Internet advertisement according to the category attributes and the product attributes” and “determining a strength of the click probability estimate based on a number of times the Internet advertisement has been previously presented.” After the Internet advertisement is presented to the customer and a response is received from the customer, the method of claim 31 recites “adjusting the click probability estimate for the Internet advertisement based on the received response to the Internet advertisement” and “increasing the strength of the click probability estimate based on the presentation of the Internet advertisement.” Applicants submit that there are significant gaps between these elements and the subject matter disclosed in *McElfresh et al.* and *Merriman et al.*

The Office Action acknowledged that *McElfresh et al.* “does not teach determining a strength of the click probability estimate based on a number of times the Internet advertisement has been previously presented and increasing the strength of the click probability estimate based on the presentation of the Internet advertisement.” Office Action, p. 4. The Office Action alleged that *Merriam et al.*’s disclosure of “the number of times an advertisement has been seen when using targeted advertising (paragraph 0022)” renders it “obvious to one of ordinary skill in the art at the time the invention was made to determine a strength of the click probability estimate based on a number of times the Internet advertisement has been seen previously presented and increase the strength of the click probability estimate based on the presentation of the Internet advertisement.” *Id.* Applicants respectfully disagree. Applicants submit that the Office Action’s proposal to modify *McElfresh et al.* with the teachings of *Merriam et al.* is based on impermissible hindsight.

Consistent with the admission on page 4 of the Office Action, *McElfresh et al.* does not teach “determining a strength of the click probability estimate based on a number of times the Internet advertisement has been previously presented,” as recited in claim 31. Likewise, despite the Office Action’s alleged disclosure of using a number of times each advertisement is seen by a user in targeted advertising, *Merriam et al.* does not fairly teach or suggest “determining a strength of the click probability estimate based on a number of times the Internet advertisement has been previously presented,” in combination with “adjusting the click probability estimate for the Internet advertisement based on the received response to the Internet advertisement,” and “increasing the strength of the click probability estimate based on the presentation of the

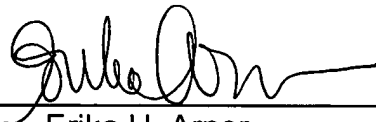
Internet advertisement,” as recited in claim 31. Therefore, even if *McElfresh et al.* and *Merriam et al* were combined, the proposed combination would still leave wide gaps with the claimed method including “determining a strength of the click probability estimate . . .” and “increasing the strength of the click probability estimate . . .,” as recited in claim 31. Applicants submit that it would not have been obvious for one of ordinary skill in the art to combine the alleged teachings of *McElfresh et al.* and *Merriam et al.* to arrive at Applicants’ methods recited in claim 31 and its dependent claims 32-38. Applicants therefore respectfully request withdrawal of the 35 U.S.C. § 103(a) rejection of claims 31-38.

In view of the foregoing amendments and remarks, Applicants respectfully request Examiner’s reconsideration of this application and the timely allowance of the pending claims. Please grant any additional extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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Dated: January 20, 2009

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